

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



RELEASE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 2-80

WASHINGTON, May 29--The Foreign Agricultural Service of the U.S. Department of Agriculture today issued the following report of recent developments in world agriculture and trade:

GRAIN AND FEED

In the SOVIET UNION, the rapid sowing progress for grains, pulses and all other spring crops during the early part of May has almost offset the delays in March and April caused by unfavorable weather. However, Soviet press reports indicate that the recent increase in sown area was probably achieved by reducing the quality of field preparation and seeding in some areas.

Grains, pulses, and other spring crops were sown on 27.4 million hectares during the week of May 5 to 11, bringing the total area sown to 64.7 million hectares. This represented 44 percent of the total planned area.

For small grains and pulses, 19.1 million hectares were sown during the same week, a daily average of 2.7 million hectares, bringing the total to 40.7 million hectares by May 12. This level was reported as 41 percent of the total planned area, implying that the total plan is about 99 million hectares for small grains and pulses.

The EUROPEAN COMMUNITY has set totals for new export tenders for wheat and barley to start July 3. The decision must be ratified by the EC Commission, although no major objections are expected. Generally, new tenders are announced in August, although last year they did not begin until late September.

Wheat tenders are tentatively set at 2.25 million tons--250,000 tons for Latin America, including Brazil; 1.5 million tons for the Mediterranean area, Scandinavia, Africa, the Middle East and the Indian sub-continent, including Burma; and 500,000 tons for East Europe, excluding the USSR. New barley tenders total 2 million tons--1 million tons for the Mediterranean area, Scandinavia, Latin America, Africa and the Middle East; and 1 million tons for East Europe, again excluding the USSR.

Under the current series of export tenders, launched last September and due to expire June 30, 1980, export authorizations have been awarded on 4,357,400 tons of wheat and 1,876,100 tons of barley.

The 1980 EC wheat crop is expected to approach the 1978 record crop and current stocks are large.

- more -

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917.

OILSEEDS AND PRODUCTS

CANADA's exports of rapeseed could reach 1.85 million tons for the crop year ending July 31, up from 1.72 million tons last year if Japan continues its heavy purchases. However, European crushing margins seem to favor sunflowerseed over rapeseed. Rapeseed exports for the 41 weeks ending May 7, totaled 1.4 million tons--195,000 tons ahead of last year.

Nearly 80 percent of Canada's rapeseed exports in the first quarter of 1980 qualified for use as food or feed and were eligible for the newly registered trade name, Canola, according to reports from the Canada Grain Commission and the Canola Council of Canada (formerly the Rapeseed Association of Canada). The qualified cargoes averaged less than 3 milligrams per gram of glucosinolates in the meal and less than 2.25 percent erucic acid in the oil. Some of the cargoes averaged averaged less than 1 percent erucic acid.

Shipments of MALAYSIAN palm oil to the Soviet Union gained sharply in 1979 approaching 95,000 tons, excluding quantities reportedly moved through Rotterdam, according to the U.S. agricultural attache in Kuala Lumpur.

Malaysia's exports of palm oil to the Soviet Union for the year ending Dec. 31, 1979, totaled nearly 55,000 tons, including almost 49,000 tons processed, 2,000 tons olein and just over 4,000 tons of stearin. In addition, palm oil exports through Singapore during calendar 1979 totaled 39,775 tons, including 12,247 tons of crude palm oil.

In October and December 1979, the Soviets reportedly purchased large amounts of Malaysian palm oil for 1980 delivery. The volume is believed to be roughly 60,000 tons for delivery during January-June.

Peninsular Malaysia's production and exports of palm oil during October-December 1979 rose by 11 percent and 18 percent, respectively, from the same three months in 1978. Palm oil output during the year ending Sept. 30, 1979 gained by 34 percent or about 500,000 tons, while exports gained by only 24 percent or 327,000 tons.

The gains in palm oil exports lagged substantially behind production during July-December 1979. Since domestic consumption is relatively small, the export lag would indicate a substantial buildup in stocks since June 1979. The data are as follows in 1,000 tons:

<u>1977/78</u>	<u>Production</u>	<u>Exports</u>	<u>Residual</u>
Oct-Dec	351.5	383.0	-31.5
Jan-Mar	259.9	283.3	-23.4
Apr-Jun	353.3	286.8	+66.5
Jul-Sept	504.4	396.6	+107.8
	1,469.1	1,349.7	+119.4

- more -

<u>1978/79</u>	<u>Production</u>	<u>Exports</u>	<u>Residual</u>
Oct-Dec	522.8	388.4	+134.4
Jan-Mar	440.4	410.3	+ 30.1
Apr-Jun	442.5	450.1	- 7.6
Jul-Sept	566.1	428.0	+138.1
	<u>1,971.8</u>	<u>1,676.8</u>	<u>+295.0</u>

1979/80

Oct-Dec	581.4	457.8	+123.6
---------	-------	-------	--------

Major destinations for Peninsular Malaysia's palm oil exports include India, Japan, the United States, Iraq and the Netherlands. Roughly one-third of Malaysia's palm oil exports represent transshipments through Singapore.

During October-December 1979, exports of processed palm oil accounted for 95 percent of total exports, compared with only 72 percent in the same quarter a year ago.

Growth rates in Malaysia's quarterly palm oil output have fluctuated widely, compared with similar periods a year earlier. In calendar 1980 the growth rate in palm oil production is expected to slacken substantially from last year's 24-percent increase.

DAIRY, LIVESTOCK AND POULTRY

In the SOVIET UNION, inventories of all categories of livestock on collective and state farms increased from April 1 to May 1, indicating that the Soviets have continued their seasonal pattern of building inventories. However, the monthly rates of increase are generally lower than in previous years.

Cattle numbers rose 2 percent to 93.4 million head, and sheep and goats increased 8 percent to 148.4 million. Hog numbers reached 55 million head as of May 1, an increase of 1 percent during April. The poultry inventory on collective and state farms numbered 688 million head, an April increase of 7 percent.

Soviet production of meat (live weight) on collective and state farms during April was 928,000 tons, slightly below April 1979. For the first four months of 1980, overall meat production on collective and state farms was 3 percent ahead of 1979, with only pork production below last year's level. Average live weight of cattle at slaughter continued to decline during April, while the figure for hogs rose slightly.

ARGENTINE cattle and sheep herds have suffered severe damage because of heavy flooding in central and southern Buenos Aires Province. This region, where cattle-breeding operations are the primary agricultural activity, had, until recently, experienced almost continual rains since the middle of April. Various sources have

estimated that about 250,000 to 500,000 head of cattle, mostly younger animals, have died from drowning or exposure. The high water also has resulted in significant cattle loss through abortion. In addition, it is believed that the flooding may have caused the deaths of as many as 1 million head of sheep.

HORTICULTURAL AND TROPICAL PRODUCTS

ITALY and GREECE, the two largest producers of tomatoes for processing in the Mediterranean Basin, are faced with burdensome stocks of unsold tomato paste from the 1979 crops.

Italian production of processing tomatoes in 1979 reached 3.6 million tons, 20 percent above pre-season estimates and 60 percent above 1978 production. A grower-processor agreement for the upcoming 1980 season calls for no more than 3.01 million tons of tomatoes to be processed. However, a similar agreement during the 1979 season did not work out. If this year's production limits are successful, tomato paste production would be about 250,000 tons, down 22 percent from 1979, and canned whole tomato output of 950,000 tons would be down 14 percent from last year. Italian canners are currently holding about 100,000 tons of unsold tomato paste stocks.

In Greece, production of tomatoes for processing in the 1980 season is forecast at 1.1 million tons, an increase of 10 percent over 1979. A crop of this magnitude could result in tomato paste production of around 200,000 tons, up 20,000 tons over the 1979 output. Greece's exports of tomato paste totaled 93,000 tons in 1979.

In TAIWAN, production of canned mushrooms during the 1979/80 season (December-March) is estimated at 30,909 tons, drained weight basis, down 14 percent from 1978/79 and 33 percent below the 1977/78 season. (One standard case = 24 lbs., drained weight or 0.010886 metric ton). The decline is attributed to unstable international market conditions and heavy competition from other exporters. Taiwan's exports of canned mushrooms totaled 37,227 tons in calendar 1979, down 8 percent from the previous year.

SOUTH KOREAN canners packed 21,228 tons, drained weight, of canned mushrooms during 1979. Production in 1980 is forecast at 19,600 tons, a 7-percent reduction from last year. Exports reached 21,130 tons last year, down 21 percent from 1978. The industry's 1980 export plan calls for shipping about 7,800 tons to the United States, down roughly a third from the 11,800 tons exported last year.

U.S. imports of South Korean mushrooms during the first quarter of 1980, however, were only 10 percent below last year's shipments.

- more -

COCOA PRODUCERS agreed at a recently concluded meeting in Sao Paulo, Brazil, to establish a price-support fund in an effort to keep world cocoa bean prices above \$1.20 per pound. Several members of the Cocoa Producers Alliance have agreed to begin buying surplus cocoa from the world market in an attempt to stem the price decline. Brazil, the Ivory Coast, Cameroon, Togo, and Gabon will participate in the fund. Ghana and Nigeria, also Alliance members, did not join the price-propping effort, since delegates from those countries did not have the authority to make such commitments. Further meetings are scheduled in London June 16 to discuss how the price-supporting fund should function.

Cocoa bean prices averaged \$1.28 per pound in April, compared with \$1.36 per pound in March. Prices have continued to fall during May (averaging about \$1.16 per pound through May 22, as world production this season will exceed consumption for the third consecutive year.

INTERNATIONAL WEATHER AND CROP SUMMARY, MAY 19-25

EUROPE--Scattered heavy showers fell in parts of southern Europe with heaviest totals in the southeastern countries where conditions were already wet from the previous weeks' rainfall. Fieldwork was slowed the most in Romania and Bulgaria. Mostly dry weather across the north probably had little adverse effect, except in England where only some localized areas received slight relief from dry conditions. In Spain drier weather prevailed as the harvest season approached, but continued above-normal rainfall in Italy maintained unfavorable harvest weather.

USSR--Over much of the winter grain belt, temperatures remained about 5 C below normal and light frost occurred again in the western portions, delaying crop development even further. Spring grains were sown nearly on schedule in the Volga Valley, but the cold affected that region as well. Above-normal rains fell in many areas through the western portion of the Volga Valley. This moisture was beneficial as planting of most crops is now complete in the Ukraine, but sunshine is needed to warm conditions and produce more growth. The most favorable conditions exist in the North Caucasus, where temperatures have remained near normal and abundant rainfall has kept soils wetter than normal.

In the New Lands, most locations had adequate soil moisture as sowing of spring grains continued in full swing. Only a limited dry area in the east posed a potential problem for germination.

CHINA--Numerous heavy showers fell across the southern portions of the winter wheat belt and parts of the rice belt. Wheat should have been nearly ready for harvest in the affected areas, and this second consecutive week of heavy rainfall was not beneficial. Drier weather along the Yellow River benefited winter wheat, while abnormally heavy rainfall in the hills north of Beijing replenished irrigation supplies. Tropical storm "Georgia" dissipated along the southeastern coast, dumping 50 to 80 mm rains a short distance inland, but with no negative impacts. Many areas in the south experienced drier than normal weather for the second consecutive week, giving all fields a chance to recuperate from the earlier deluges.

SOUTH ASIA--Sporadic shower activity continued in southern and eastern India, but did not reach normal amounts in many areas. Nevertheless, conditions remain

adequately moist at this time. Wind flow patterns in the Bay of Bengal suggest that the onset of the monsoon is imminent.

THAILAND--Significant rainfall occurred throughout the major rice growing area. Totals ranged from about 50 mm near Bangkok to 140 mm in the northern regions supplying reservoirs. This moisture should promote development of rice and maize crops throughout the region.

AUSTRALIA--Two storms swept across Australia, but rainfall totals were disappointingly low along the coast. Most heavier amounts fell in the center of the continent. Winter wheat crop areas in New South Wales received some rain, but soils should remain adequately moist for germination and initial development of winter grains.

NORTHWESTERN AFRICA--Only limited areas received substantial rainfall, with dry weather persisting in most winter grain areas. The harvest should be entering the latter stages now.

SOUTH AMERICA--Generally favorable weather prevailed for the harvesting of Argentine soybeans. Drier weather moved into southern Buenos Aires Province, providing good conditions for winter grain sowing following abundant rains earlier. In Brazil, near-normal rainfall probably did not disrupt late soybean harvesting in Rio Grande do Sul, where heavier rains had interfered during the past month.

CANADA--Unseasonably dry conditions in southern Saskatchewan and southwestern Manitoba early in the week continued to inhibit spring grain germination and development. Later in the week a Pacific cold front, accompanied by gusty surface winds, moved slowly into the Prairie Provinces. Between 25 and 100 mm of rain fell in the spring wheat area of Alberta, however, only a small part of southwestern Saskatchewan measured up to 25 mm. At the week's end, the front was continuing its eastward drift.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	May 27, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWRS-12.5%..	1/	1/	1/	174.00
U.S. No. 2 DNS/NS: 14%.....	199.00	5.42	-8	168.50
U.S. No. 2 DHW/HW:13.5%....	1/	1/	1/	168.00
U.S. No. 2 S.R.W.....	183.50	4.99	-15	163.00
U.S. No. 3 H.A.D.....	245.00	6.67	+14	187.00
Canadian No. 1 A: Durum....	268.00	7.29	+15	194.00
Feedgrains:				
U.S. No. 3 Yellow Corn.....	138.50	3.52	+1	133.00
U.S. No. 2 Sorghum 2/.....	1/	1/	1/	121.50
Feed Barley 3/.....	156.50	3.41	+35	122.00
Thailand Tapioca.....	177.50	--	+3.15 5/	--
Soybeans:				
U.S. No. 2 Yellow.....	263.50	7.17	+8	301.00
Argentine 4/.....	259.40	7.06	+15	291.00
U.S. 44% Soybean Meal (M.T.)	223.00	--	--	243.00
EC Import Levies				
Soft Wheat.....	120.35	3.28	+7	126.80
Corn.....	134.50	3.42	+7	115.80
Sorghum.....	127.30	3.23	+9	130.20
Barley.....	127.00	2.77	+6	130.75

1/ Not available

2/ Optional delivery: U.S. or Argentine Granifero Sorghum

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton

NOTE: Basis June delivery

U.S. DEPARTMENT OF AGRICULTURE

WASHINGTON, D.C. 20250

OFFICIAL BUSINESS

Penalty for Private Use, \$300



POSTAGE & FEES PAID
United States Department of Agriculture
AGR 101

PROCUREMENT SECTION
CURRENT SERIAL RECORDS

JUL 13 '81

U.S. DEPT. OF AGRICULTURE
MAIL AGRIC. LIBRARY
RECEIVED

2